

**Minutes of the Operations Committee Meeting**  
**Held virtually via Zoom on 28<sup>th</sup> November 2023 at 10am**

Invitees	Role	Attendance
Sarah Bellingham (SB)	OLT Governance & Communications Officer	Present
Lawrence Brooks (LB)	Edufin Accountant	Present
Jodie Croft (JC)	Board Director and OLT CEO	Present
Carina Cuddington (CC)	CFO (Edufin)	Present
Beth Gorsuch (BG)	OLT Chief Operating Officer	Present
Alison Hill (AH)	Board Director	Present
Tyler Jeffs (TJ)	Board Director – <u>Chair</u>	<i>Absent</i>
Arjun Thiru (AT)	Board Director	<i>Absent</i>
Tom Tobias (TT)	Audit Manager, Kreston Reeves	Present
Simon Webber (SW)	Partner, Kreston Reeves	Present

**Minutes**

**1. Welcome, identify AOB, & declare conflicts of interest relevant to the agenda or updates to the Register of Business Interests to include hospitality**

**1.1** JC welcomed everyone. AT had sent his apologies in advance. No-one declared any conflict of interest in relation to the agenda items or any updates for the Register of Business Interests.

**1.2** The meeting was not quorate (noting the requirement for at least three Board Directors).

**2. Receive previous committee minutes and discuss actions not on the agenda elsewhere & note receipt of Management Accounts from October 2023**

**2.1** The Committee approved the Operations Committee minutes of 10th October 2023. SB would organise for the approved version to be signed by the Chair and would upload it to the website, together with the current meeting's attendance and the agenda. **ACTION – SB**

**2.2** The actions from the last meeting were either completed, in progress, or within the current agenda.

- 2.3** In relation to Action 3, at Minute 9.7, BG confirmed that a maternity cover WPA teaching assistant post had been removed from the November 2022 working budget, which was not linked with a resignation.
- 2.4** In relation to Action 5, at Minute 12.5, BG confirmed that she had emailed Kreston Reeves to ask what information they had, as they collect data as part of the external audit. This data was not available from the staff workforce census, or the academies benchmarking reports produced by the auditors, or the VFMI data from the DfE for benchmarking purposes (which only looked at financial data)

*Receipt of Management Accounts October 2023*

- 2.5** The Committee confirmed receipt of the Management Accounts for October 2023 and had no questions about these. A copy of the table of information within the Executive Summary would be pasted into a confidential annex to these minutes for the Committee's reference, per audit requirements.

**3. Review external auditors' management letter and agree management response**

*OLT Key Audit Findings 2023 for the year ended 31 August 2023*

- 3.1** SW confirmed that this document needed to be submitted to the DfE, but unlike the annual accounts was not held on public record at Companies House. The draft document was subject to discussion at this meeting.
- 3.2** The key benchmarking data at the start of the document was explained. The total income per pupil received by the Trust had risen since the previous year, in part due to the capital and pre-opening grants made in respect of new school Sires Hill primary Academy.
- 3.3** Staff costs had gone down slightly, in part due to the impact of pension service charge costs. These figures sat well compared with other primary academy trusts and compared with previous years at the Trust.
- 3.4** Teacher-pupil ratios had moved slightly but were in line with other academy trusts.
- 3.5** The overall asset position was strong, and there was a strong financial surplus for the year. Section 3 on page 6 showed the breakdown, having had the one-off items in the actual accounts removed, so that the underlying operational position was clearer. Overall, the Trust was in a strong position financially.
- 3.6** From an audit perspective the outcome was clean with no qualifications, and no issues or matters of significance.
- 3.7** SW reminded the committee what the prior year's outcomes had been: one medium risk item and five low risk items. The medium risk item had concerned fixed asset testing and valuation. That has not occurred again, and the point had been marked as resolved. Four of the low-risk items had been marked as resolved. The other had been marked as 'progress made' as the only remaining issue related to some missing credit card receipts for low value expenses.

- 3.8** SW explained that the DfE were only concerned by red and yellow flags rather than the green flags and the recommendations made with those.
- 3.9** **Q:** Did the EFSA still benchmark the number of management points a trust received?  
**A:** Five used to be the average threshold. It was still monitoring these. If a trust had ten or more management points consistently, it would look more closely at what was taking place. There was much more focus on getting rid of red and yellow flagged items, which the EFSA grouped together for monitoring purposes.
- 3.10** SW then spoke about the current year. He confirmed that only low value items had been picked up on, producing two green flags. One concerned an audit trail and the other concerned incorrect capitalisation. The Trust had provided satisfactory responses.
- 3.11** SW explained that the incorrect capitalisation point had concerned a capital expense of only £1800, however this had not been capitalised in accordance with the Trust's fixed asset accounting policy. In the context of materiality thresholds, the sum could be deemed trivial. It had been clear to the auditors that this had been a one-off, that the Trust's policy was fine, and that this was simply the fact of the relevant office manager having not followed the policy. That office manager was no longer there. CC gave more context to the former office manager's activity in this respect. Her view was that this was not a control issue. She reassured the auditors that reminders had been given to the other school office managers about how to comply with policy requirements.
- 3.12** SW confirmed that the Trust could be comfortable with the outcome and asked if there were any further questions.
- 3.13** The Committee had no further questions and were comfortable with the content of the report and the management responses.

#### **4. Review OLT annual report and accounts to recommend for Trust Board approval**

*OLT Draft Accounts of 14.11.2023 (Annual Report and Financial Statements for year ended 31 August 2023)*

- 4.1** JC shared the document on screen and TT took the Committee through the key information which included:
- The statement of financial activities, showing the overall net movements of funds and the financial surplus, which reflected LGPS movement, depreciation, and other capital movements.
  - The balance sheet, showing the increase in the Trust's overall financial position, together with the breakdown of restricted and unrestricted funds as compared with the previous year.
  - Policy updates and critical accounting estimates, to include mention of the impact of the LGPS position on surplus and deficit positions.
  - The income notes, to include mention of the devolved formula capital grant, SHPA pre-opening grant, General Annual Grant (GAG) funding, pupil premium, SEN, and free school meals funding, income from school trips, money from trading activities, as

well as new supplementary grant income. There had been a small error in the description of the catch-up premium funding which would be updated by Kreston Reeves on the final version of the document. **ACTION – TT**

- The expenditure notes, to include mention of direct costs, support costs, energy costs, and legal and professional costs (mainly in connection with opening new school SHPA).
- The fixed asset note, which confirmed the overall reduction in fixed assets (with depreciation having outweighed any additions) and that the Trust continued to have a large leasehold property position.
- The debtors note, which showed an increase in debtors linked with the change in how the new payroll processes were working at the Trust.
- The creditors note, which identified that several trade creditors had been paid in advance for work in connection with the opening of SHPA.
- Note 22 on page 60, which showed what had been done as regards the LGPS submission.

**4.2** SW asked if anyone had questions.

**4.3** **Q:** Had nursery finding been included in the income notes?

**A:** Yes, it had.

**4.4** **Q:** Why did the Trust receive red flags on benchmarking for support staff costs?

**A:** Support staff costs were difficult to benchmark as they became heavily skewed by pension adjustments. Much depended on which scheme the staff were in and with which local Authority. SW was not hugely concerned.

**4.5** **Q:** Had the support staff costs the previous year been as high as shown here?

**A:** SW would check on this. It might have been the support staff element of the pension cost service charge adjustment. He would split this out, and double check the figure from the previous year. CC added that note 9 in the document on staff costs was helpful in this context. **ACTION - SW**

**4.6** **Q:** Please would SW update the teacher pension contribution note, to reflect the 28% applying in the current year, rather than 23%?

**A:** SW confirmed he would do this, and explained that the note needed to state what the new contribution rates were, rather than just those for 2022-2023. TT would check all the notes in the document for similar updates required. **ACTION – SW/TT**

**4.7** JC confirmed her understanding that the auditors would be making three updates to the document, as already agreed, but that these would not impact the figures.

**4.8** SW explained that subject to the agreed changes, the Committee needed to recommend the accounts to the Trust Board. SW also confirmed that given the lack of quoracy at the Committee meeting, it would be acceptable for a quorate meeting of the Trust Board to approve the accounts based on the Board Directors had the benefit of advance sight of the documents, a summary of the auditors' position from CC, and the chance to ask questions at the Board meeting of CC, JC, BG, as well as director AH who had been present at the meeting today.

*Recommendation for Approval*

- 4.9** SW explained that the Committee needed to recommend the accounts to the Trust Board for approval subject to the agreed changes. In light of the lack of quoracy, SW explained that it would be acceptable for a quorate meeting of the Trust Board to approve the accounts based on the Board Directors having seen the accounts in advance, having received a summary of the auditors' position from CC at the Board meeting, and having been given the chance at the Board meeting to ask questions of CC, JC, BG, and director AH who had been present at the Operations Committee meeting today.
- 4.10** AH and JC confirmed that they were comfortable to recommend the approval of the accounts subject to the agreed changes being made.
- 4.11** SW explained that after receipt of approval by the Board, Kreston Reeves would update the documents as agreed, and send across clean copies for signing on behalf of the Trust. Use of the 'docu-sign' system would be acceptable in place of physical signatures. It would also be acceptable to have the new Chair of Trustees sign on behalf of the Trust, noting that she had been a Board director for some time and had been a member of the Operations Committee the previous year. **ACTION - SW**
- 4.12** SW would also be asking JC to confirm that there was no new information from the Trust to send to the auditors in relation to its preparation of the accounts, prior to signing.

**5. Agree scope of next internal audit**

- 5.1** The committee were asked to make suggestions for the scope of the internal audit for the current academic year.
- 5.2** JC acknowledged that she was not in a position, as CEO, to recommend areas to be included in the audit scope. She asked SW to make recommendations, based on the fact of the Trust undergoing two internal audits per year, one in the spring and one in the summer.
- 5.3** SW recommended choosing one financial and one non-financial item each year, as well as considering anything flagged as a weakness in an earlier audit cycle.
- 5.4** The Committee discussed the areas covered in previous audit cycles. In 2022-2023, the internal audit had covered HR and payroll, as well as financial controls and purchasing. Areas under consideration for the 2023-2024 cycle included: IT, GDPR, pupil number (census) returns, finance (income streams, wages, and expenses), governance, health and safety, and estate management.
- 5.5** BG would review these suggestions and circulate a proposal to the Operations Committee directors (excluding JC) for their approval after the meeting. **ACTION – BG**

**6. Review of Trust Risk Register**

- 6.1** This would be reviewed and discussed at the Board meeting later in the day, noting that there was a specific Board meeting agenda item for this.

**7. Agree confidential status of the meeting's documents: ATH 2023 Ref: 1.45**

- 7.1** It was agreed by the committee that other than the agenda, the approved minutes from the previous meeting and any approved final versions of policies, the remaining documents reviewed for this meeting were confidential to the Trust.

**Meeting Closed: 10.45**

**Dates of next meetings:**

- Tuesday 20<sup>th</sup> February 2024 at 10am
- Tuesday 30 April 2024 at 10am
- Tuesday 25 June 2024 at 10am

**Action list of 28<sup>th</sup> November 2023 Operations Committee Meeting**

Action Number:	For Whom:	Reference:	Action:
1	SB	Minute 2.1	Request Chair's signature to approved minutes of previous meeting, and upload meeting attendance, previous minutes, and current agenda to Trust website. <b>DONE</b>
2	TT/SW	Minute 4.1	Update the description of the catch-up premium funding in the income notes of the final version annual accounts
3	TT/SW	Minute 4.5	Split out and update the headings used in the support staff costs section of the annual accounts
4	TT/SW	Minute 4.6	Update the contribution rate for the current year in the teacher pension contribution note, and check all other notes in the document for similar updates required.
5	TT/SW	Minute 4.11	Send clean final version copies of the accounts to the Trust for signing, together with a request for confirmation of no new information
6	BG	Minute 5.5	Circulate a proposal for the scope of the 2023-2024 internal audit to the Operations Committee Directors for approval <b>DONE</b>